

Department of Public Health
and Human Services

Section:
INCOME

TANF CASH ASSISTANCE

Subject:
Overview

Supersedes: TANF 500 (07/01/06)

References: ARM 37.78.102, .402, .415 and .416

GENERAL RULE--Income or money obligated to the household from any source, even if it is diverted to an entity outside the household, is considered available to the household.

Determining financial eligibility means that an investigation of the household's current and future circumstances occurs. The results, a "best estimate," based on the household's reasonable expectations and knowledge, accurately reflect all facts and remains an accurate reflection of the likely situation throughout the eligibility period.

Income is divided into two categories:

1. Earned income that includes items such as:
 - a. Wages and salaries for services performed, and
 - b. Net earnings from self-employment
2. Unearned income, which includes all income that is not earned.

NOTE: Some types of income, such as in-kind, can be either earned or unearned depending on the circumstances. See income alpha index in 500-1.

AVAILABLE INCOME

All income, even if it is excluded per policy, **must** be entered on the appropriate screen. Earned income information is entered on either EAIN or SEEI; unearned income information is entered on UNIN. Case notes must document how the income was derived.

Income is considered available both when actually available and when the applicant or participant has a legal interest in it and the legal authority to make the income available for support and maintenance.

Households are required to apply for all available **countable** benefits (e.g. SSI, Unemployment or Worker's Comp.) and/or access all available **countable** income that they may be eligible for or entitled to receive.

The household must make application for the countable benefits and/or access the countable income, even if they would prefer to wait and do so at a later time.

If the amount of the available benefits or income can be determined, it is counted toward eligibility as if received. If the amount cannot be determined, or the household fails/refuses to apply for or access the benefit or income, the case is to be closed or the application denied as there is not sufficient information to determine financial eligibility.

COUNTING INCOME

When non-self-employment income is expected to be received on a monthly basis, but for some reason is not, the amount received CAN be prorated over the period of intended use. The option to prorate must be given to the household and their decision clearly documented in case notes.

When income is NOT expected to be received monthly, such as quarterly interest payments; the payment must be counted when received.

EXAMPLE:

1. A family receives an annual lease payment each October. They apply for TANF in November. None of the October lease payment is considered income for November. However any amount remaining would be considered a resource.

Anytime a household receives a child support payment from the non-custodial parent or an out of state Child Support Enforcement Agency while receiving TANF cash assistance, the payment must be turned over to CSED. If the payment is paid from Montana CSED and CSED is aware the household receives TANF, these are arrearages or in excess payments and the household can keep the payment. If the payment is paid on a quarterly basis in advance, this must be documented when the payment is turned over to CSED.

VERIFYING INCOME

Income must be verified at application and at redetermination. At application or redetermination, the applicant/participant's written or verbal statement alone is not acceptable; there must be collateral proof. State the type of proof and other pertinent information in case notes by answering the questions- who, what, when, where and how.

Documentary evidence is the primary source of verification; it is important to keep a hard copy of the verification in the case file for Medicaid cases. If the verification is verbally provided by a corroborative contact, the information is entered using TEAMS verification code 'CC' (collateral contact) and documented in case notes by answering the questions- who,

what, when, where and how. Visual verification of income and expenses is no longer recommended for Medicaid eligibility documentation.

Households have the primary responsibility to provide income verification. Eligibility staff shall assist the household in obtaining verification provided the household is cooperating with the verification process. A situation in which an eligibility case manager may need to assist would be when an applicant states his employer is unwilling to provide duplicate wages stubs. The eligibility case manager may need to send an employer statement requesting income verification.

UNEARNED INCOME VERIFICATION

Verification of unearned income may be from any of the following corroborative sources (list is not all inclusive).

- Organizational records or statements:
 - Attorney statements or records
 - Bureau of Indian Affairs records
 - College, university or other source of financial aide
 - County Clerk of Court records
 - Insurance Company records
 - Income tax records; state or federal (only if they reflect current income)
- Computer Interfaces:
 - SEARCHS (child support)
 - MISTICS (unemployment)
 - BENDEX and State Data Exchange (SDX)
 - SOLQ
- Correspondence or award letters regarding benefits (caution: changes not always reflected on letters):
 - Unemployment, workers compensation, Social Security, railroad retirement, veteran administration, pensions, child support; Education grants, loans or scholarships.

► **NOTE:** In regards to educational income the only verification that is required would be to make certain that the educational income (grants, loans, etc) is directly related to the attendance of an institution of higher education and that work study is not considered as wages.

- Any other reasonable form of verification.

**EARNED INCOME
VERIFICATION**

Verification of earned income may be from any of the following corroborative sources (list is not all inclusive).

- Pay stubs or pay envelopes (if complete)
- W2 form
- Wage tax receipts
- State or Federal income tax return or tax statements (only if they reflect current income)
- Self-employment bookkeeping records showing all income and expenses
- Employer's statement (signed and dated by employer)
If the employer statement is verbal, case notes must clearly document all details (who, what, when, where and how)
- Employment Security office records (DOLI interface)
- Any other reasonable form of verification.

**INCOME OF
DISQUALIFIED
INELIGIBLE
MEMBERS**

To determine the amount of income countable to the household from a disqualified household member, first determine whether or not the individual(s) is a required filing unit member. If the individual(s) is a required member, code the individual(s) accordingly, either 'DQ', 'DP', 'IP' or 'IS' depending on the program.

Income and earned income deductions will be counted in the following manner:

'DQ'-- will count all income and NOT prorate. Earned income deductions will be allowed. The individual will not be included in the household size.

'DP'-- will 'deem' income of individuals coded 'DP' to remaining household members and allow deemed income disregards. The individual will not be included in the household size.

'IP'-- will count the income in full for TANF. Earned income disregards will be allowed. The individual will be included in the household size.

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